

Appraisal Report Guide

Appendix 4-1

May 2006



**Washington State
Department of Transportation**

Environmental and Engineering Services

Real Estate Services

PO Box 47338

Olympia, WA 98504-7338



Alternate Formats: Persons with disabilities may request this information be prepared and supplied in alternate formats by calling the Washington State Department of Transportation at (360) 705-7097. Persons who are deaf or hard of hearing may call access Washington State Telecommunications Relay Service by dialing 7-1-1 and asking to be connected to (360) 705-7097.

Additional copies may be purchased from:

Washington State Department of Transportation
Directional Documents and Engineering Publications
PO Box 47408
Olympia, WA 98504-7408

Phone: 360-705-7430
Fax: 360-705-6861
E-mail: engrpubs@wsdot.wa.gov
Internet: [http://www.wsdot.wa.gov/fasc/Engineering Publications/](http://www.wsdot.wa.gov/fasc/Engineering%20Publications/)

Part I Evaluation Guidelines**A. Departmental Standards**

1. An appraisal is a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information. The format and level of documentation for an appraisal are dependent on the complexity of the appraisal problem to be solved.

An acceptable appraisal report is one which fulfills all the requirements of this Appraisal Report Guide and contains factual support and sound reasoning for conclusions drawn. An appraisal may fulfill all requirements of the Appraisal Report Guide as to data contained, etc., and not be acceptable because of inadequate investigation or interpretation of market facts and/or unreasonable judgment of such facts.

2. Except as provided in RCW 8.26.180(2), the Real Estate Services Office shall appraise all properties affected by WSDOT highway projects prior to negotiations for purchase of property rights required for highway purposes. Appraisals shall be made to determine the value of the property rights sought by the state, basing such determination on the legally compensable amount of the fair market value lost to each separate ownership by virtue of the WSDOT's highway project plan. All policy in this connection is governed by a constitutional provision of the Washington State Constitution; specifically, Amendment 9, Art. 1, Section 16 Eminent Domain, which reads in part: "No private property shall be taken or damaged for public or private use without just compensation having been first made, or paid into court for the owner, etc."
3. The policy designed to carry out the requirement for the payment of just compensation is not personal in its context. It is not a limitation on the person whose property may be taken, but a limitation on property taken for public use. The sole restriction or limitation is to preserve for the owner a right to "just compensation." It is for the property taken and not to the person whose property is taken. Evaluation in both the before and after instances is to be based on "fair market value" and not "value in use," i.e., ordinary value of the real estate in the open market to people generally and not special value to a particular owner or special value to a particular operation due to some individualistic peculiarity of the operation. "Fair market value" is the amount in cash which a well-informed buyer, willing but not obliged to buy the property, would pay, and which a well-informed seller, willing but not obligated to sell it would accept, taking into consideration all uses to which the property is adapted or may be reasonably adaptable. The mathematical difference between the two values (market value "before" minus market value "after") is the just compensation after adjusting for items that are not compensable under the law. The "after value" is based on the value of the remainder property assuming that the actual construction of the proposed project will not be completed until an estimated future date. Any temporary inconvenience during or caused by, the actual construction of the project is not considered in the appraisal. Fair market value shall normally be that of fee simple title.

4. The public, which must bear the burden of these public projects designed to safeguard and protect the private property of all, should be assured that the compensation awarded shall be just and not generous; shall be adequate but not a windfall; and shall approximate what it can reasonably be assumed the property would bring in cash, in an open market exchange to a willing seller and under normal bargaining procedure.
5. The property owner has the legal right to inspect the property with the appraiser. Every effort must be made to ensure that the property owner has been extended that opportunity for a joint inspection.

B. Total Acquisition

When WSDOT's highway project plans necessitate acquisition by WSDOT of an entire ownership, just compensation is the fair market value of the property, taking into consideration as part of the property such improvements that have been determined to be real property, evaluated as of the date of appraisal.

If a tenancy is involved, the tenant-owned real property improvements are evaluated as of the date of the appraisal and as they contribute to the market value of the property or their value for removal, whichever is greater.

C. Partial Acquisition

1. General

When the WSDOT's highway project plans necessitate acquisition by the state of less than a total ownership, just compensation for the rights to be acquired is the difference between the fair market value of the entire ownership prior to the acquisition and the fair market value of any portion thereof not required by the state's highway project plans after adjusting for items that are not compensable under the law.

- a. Both evaluations ("before" and "after") are based on fair market value as of the date of appraisal by the state. Before and after values reflect the amount which one buyer would pay and which one seller would accept under the value definition.
- b. If the market evidence reveals no difference between the value before and the value after the acquisition, the Appraiser reports the facts dictated by the market. The Appraiser is not obligated to report a difference when none exists in fact. The Appraiser is obligated to report only the facts and conclusions based purely on appraisal considerations.
- c. If a tenancy is involved, the tenant owned real property improvements are evaluated as of the date of the appraisal and as they contribute to the market value of the property or their value for removal, whichever is greater.

2. Benefits

In this state, it is necessary to differentiate between and understand three concepts wherein value may be created by a pending highway improvement in order to properly treat same in right of way acquisition. The three concepts are defined as follows:

- a. Enhancement. Increases in real estate values in advance of right of way acquisition created by knowledge of a pending highway improvement.
- b. Special Benefits. Value accruing to the remainder of a property by reason of acquisition and use by the State of a portion of such property where such value is special to said remainder and not enjoyed by the general public. Benefits may be special although other owners on the facility receive similar benefits.

- c. General Benefits. Washington law does not clearly define general benefits. Because of this we have only attempted to explain special benefits and will assume that any benefits which are not “special” may be properly considered to be “general” benefits.

Appraisers’ market studies must be sufficiently encompassing to enable them to detect both adverse and beneficial effects on property values in the path of prospective highway improvements. They need to be able to demonstrate and evaluate such effects, thereby avoiding a reporting of value conclusions which would tend to penalize a property owner where values were depressed or to penalize the general public where values were enhanced by knowledge of a pending highway improvement. However, maintenance within the control of the owner or tenant must be considered in estimating the market value of a property.

Appraisers’ market studies must also enable them to detect special and general benefits to remainders and to differentiate where special benefits are present, explaining their reasoning.

3. Damages

a. General

- (1) Damage is the mathematical difference between the value of the remainder after the acquisition and the value of the remainder as a part of the whole prior to the acquisition if no benefits are found to exist.
- (2) The Appraiser is required to fully explain the physical facts which cause the remainder to suffer a loss in value (damages) and the market facts which justify such a conclusion.

b. Mitigation of Damages

- (1) WSDOT may negotiate for the purchase of property outside the right of way for the purpose of mitigating a portion or all of the damage to remainders in various circumstances when such mitigation can be shown to create a saving to the state. The amounts of such savings are determined by appraisal techniques and documented by confirmed factual cost data secured by the department.
- (2) Certain types of mitigation may not be allowed in legal actions. The Region Appraisal Supervisor consults with the Attorney General Division when in doubt.
- (3) An improvement lying partially within the right of way to be acquired is considered as taken in total unless it is found that such improvement may be rehabilitated in place and thereby preserve its utility. In the latter case, there must be a showing that: (a) from the standpoint of the prudent person, such rehabilitation would be the typical action, and (b) such rehabilitation is economically justified. A two-premise appraisal is necessary showing compensation (1) assuming no rehabilitation, and (2) assuming rehabilitation has been accomplished.

The Region Appraisal Supervisor secures bid(s) from reliable contractor(s) indicating the cost of rehabilitation.

c. Modification of Project Plans

The Appraiser, or Region Appraisal Supervisor, reports in writing to the Region RESM any justified construction items that would mitigate damages.

d. Uneconomic Remnants

An uneconomic remnant is a remaining portion of a property in which an owner is left with an interest that WSDOT determines has little or no utility or value to the owner.

WSDOT has a concern for those owners who are at risk and must sell such a remnant to a third party in order to break even or who must undertake a totally new business in order to take advantage of a changed highest and best use. The determination of such remnants is the responsibility of the Review Appraiser (see Chapter 5).

e. Damage Items Not Compensable

There are certain items which are not compensable under the law. Approved just compensation and appraisal reports secured by the department exclude compensation for damage items not compensable under state law. Following is a list of some of the noncompensable items.

- (1) Annoyance and inconvenience suffered by the public in common.
- (2) Injury to business.
 - (a) Generally: including loss of profits due to necessity of removing the business to some other location and loss of profits due to interruption of business by reason of and during the course of construction of the public improvement.
 - (b) Where the type of business is an integral part of or closely related to the land itself, the nature and amount of business and the income there from may be admissible as bearing directly upon the value of the land.
 - (c) Chapter 8.26 RCW authorizes the Transportation Commission to make specified payments for displacement and relocation. Such payments are not part of just compensation and are not to be considered during the appraisal process.
- (3) Expenses for moving private and business personal property or for damages arising from the owner's inability to locate an acceptable substitute location are not a part of just compensation (27 Am. Jur. 2d Eminent Domain Sec. 293).
- (4) While an abutting owner has a right to ingress and egress, the loss of which will be compensated where there is either a physical injury to the property or impairment of the access, there will not be compensation when the state, by proper exercise of its police power, installs traffic control devices and there results:
 - (a) A rerouting or diversion of traffic;
 - (b) A decrease in the amount of traffic on the highway;
 - (c) Circuity or impairment of travel caused by a divided highway.

- (5) In general, all those types of damages such as can be considered potential, speculative, and remote, being uncertain and difficult to ascertain, are not to be considered.
- f. Damages or Benefits to Property Before Acquisition
Any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property. RCW 8.26.180.

Part II Specifications

A. General

In the appraisal of real estate for the purpose of acquiring right of way, the considerations are generally confined to estimating Fair Market Value.

B. Rules for Form Choice

1. The Region Appraisal Supervisor:

- a. Preferably at the project funding stage, but prior to parcel appraisal assignment, and in conjunction with the Review Appraiser and property owner:
 - (1) Identifies any real estate specialty items such as trade fixtures and/or equipment. These are to be evaluated as to their Fair Market Value contribution to the whole property. For complex items an expert is contracted to do a specialist's report. Such a specialist's report is provided to the appraiser of the parcel for consideration in the appraisal.
 - (2) In the case of tenancy, identifies any tenant-owned real property improvements. If a condemnation clause appears in the lease, the Region RESM is notified and requested for advice on how to proceed. If the items are compensable (no condemnation clause) they are to be evaluated under the following two premises, disregarding any right or duty to remove them by the tenant:
 - (a) The Fair Market Value which such item(s) contribute to the Fair Market Value of the whole property;
 - (b) The Fair Market Value of the item(s) for removal (orderly liquidation value).

If the tenant-owned real property improvements are of a complex nature they are usually evaluated by an expert in a specialist's report. The Appraiser of the parcel must consider their Fair Market Value Contribution to the whole property based on the higher of the above two premises.

- b. Obtains any needed legal opinions or appraisal instructions.
- c. Obtains any other needed specialist reports (e.g., timber cruises, costs to cure, etc.).
- d. Reviews and approves (for contract compliance) the specialist's report by signing and dating a Certificate of Specialist in the blank provided.

- e. Provides (as appropriate) to the Appraiser:
 - (1) Either Staff Appraiser Assignment (Form RES-203) or appraisal contract.
 - (2) Right of way plans, profiles, and cross sections.
 - (3) Any specialist's reports, legal opinions, and/or special instructions that may be necessary.
 - (4) Title report(s).
 - (5) Necessary printed report forms.
 - (6) Appraisal Report Guide (Appendix 4-1).
- 2. All reports are printed or typewritten. Title reports and other materials are submitted in the Addenda. Title reports are attached only to the copy given to the Review Appraiser.
- 3. Each item in the appraisal report is numbered and contains the information called for by the similarly numbered item in the Appraisal Report Guide and Chapter 4 of this Manual.
- 4. Beginning with page 2, the following are either typewritten or printed at the bottom of each page of the report:
 - a. Appraiser's/Specialist's name.
 - b. Consecutive page numbering.
 - c. Parcel number or numbers of the ownership.
- 5. The Appraiser includes an analysis of the specialist's report within the text of the appraisal report. Items or amounts shown by the specialist are not arbitrarily adopted by the Appraiser, but are considered as to their possible contribution to or diminution of the subject property's value. The specialist's report is included in the Addenda of the appraisal report regardless of the extent to which the data are used.
- 6. The Appraiser offers the property owner the opportunity of accompaniment at the time of the property inspection. A Report of Contact With Owner (Form RES-204) is completed, reporting such contact and inspection, and is included in the Addenda of each appraisal report.
- 7. Appraisal and specialist reports are assembled as shown in Appendix 4-1, Tabs A through F. The completed report is stapled in the upper left-hand corner only. The report is not placed in a folder.
- 8. The original and the number of copies agreed to by the contract are signed and submitted to the assigning Region Appraisal Supervisor. Unless otherwise specified, an original and three copies of each report are required.

C. Deciding Which is the Correct Type of Appraisal Form

The acquiring agency must base its appraisal form choice on the magnitude of the appraisal problem. The quick-reference chart below outlines the choice requirements:

Form	Conditions	Requirements
(None)	No appraisal is required if released by the property owner when a donation situation.	Owner must be informed of the right to receive just compensation based on an appraisal.
(None)	Simple acquisition where total just compensation is \$25,000 or less.	Value finding evidence contained in the Project Funding Estimate or other explanation needed.
Abbreviated Appraisal Report	Simple acquisition where damages are measured by cost to cure.	See Tab E (below) for requirements.
Short Form Appraisal	Whole or partial acquisitions where the property's present use is its highest and best use and where said use is the same before and after acquisition. Only one value approach, the market data approach, is usually applicable here.	See Tab D (below) for requirements.
Standard Form Narrative Appraisal	When none of the above apply	See Tab C (below) for requirements.

D. Report Preparation

The format, rules, and procedures for the various types of reports are given in the following tabs:

- A. Specialist's Report
- B. Surplus Property Form
- C. Standard Narrative Form
- D. Short Form, Narrative-Type
- E. Abbreviated Appraisal Report
- F. Strip Appraisal Procedures

Tab A Specialist's Report

i. Rules

- A. A specialist's report evaluates a special and/or cost-to-cure item; e.g., a timber cruise, well drilling, facade rehabilitation, specialty real estate equipment, etc.
- B. The specialist's report is a written document which contains the following (where applicable):

1. A Certificate of Specialist.
 2. Statement of the purpose of the report and definition of the value(s) or cost(s) reported, i.e., reproduction cost less depreciation, salvage value, cost to cure, etc.
 3. Identification of the property, its ownership, and location (i.e., a complete listing of all items, each described to the extent that it may be valued and located and identified in the field).
 4. Statement of appropriate contingent and limiting conditions, if any.
 5. Statement of the problem to be solved by the specialist.
 6. The estimate of value(s) or cost(s) as of a specific date.
 7. The specialist's report provides a breakdown of the total estimate showing individual amounts for each item, such as: material, labor, profit, and sales tax.
 8. The data and analysis to explain, substantiate, and thereby document the estimate of value(s) or cost(s).
 9. Descriptive material, i.e., special instructions, maps, charts, plans, photographs, etc.
- C. Upon review and approval by the Region Appraisal Supervisor, the specialist's report is submitted to the Appraiser for consideration within the appraisal and for inclusion in the Addenda of the appraisal report.

ii. Procedures

A. The specialist completes the report as follows:

1. PAGE 1 — CERTIFICATE OF SPECIALIST

Page 1 of the specialist's report and includes the following:

- a. Right of Way Plan Identification—The purpose of the block in the upper right-hand corner is to identify the specialist's report with the particular highway plan upon which the parcel is shown as of the date of the evaluation. A subsequent revision of the right of way plan (shown by the "Last Revision" date) could nullify the validity of an earlier evaluation. The specialist's report is, therefore, identified with the plan currently furnished by the department.

The specialist refers to the Agreement for Services for the parcel numbers, Federal aid number (if any), and correct project number and title. The project title is the same as the plan title found in the lower right-hand corner of the Department's approved right of way and/or sundry site plan sheet.

In the case of a common borrow site, the project title also includes the name of the highway project for which the common borrow site is intended to be used. The pertinent — "for use on" — information is shown on the sundry site plan within the block which shows the particular site involved.

A specialist's report may NOT include any conclusion based upon an expectation of a future plan revision without written instructions. A copy of any such instructions is included in the Addenda of the specialist's report. If the current right of way plan does not reflect current conditions, such fact is made known to the Region Appraisal Supervisor who will seek correction

of the plan prior to permitting the evaluation to be continued. Any necessary revision of the specialist's contracted due date is executed by a new Personal Services Contract. Special authorization is secured by the Region Appraisal Supervisor if the best interest of the state will be achieved by continuing the evaluation in spite of plan inaccuracies or omissions. If the plan is in error on the location of improvements, staking on the ground is considered to override and supersede plan information.

Include in the statement contingent and limiting conditions, reference to any special instructions received from the Region Appraisal Supervisor, and the specialist's specific findings in any case of plan error.

- b. **Certificate of Specialist** — The wording of the certificate has been authored by the department to serve specific requirements. The specialist is expected to be fully aware of the language of this certificate. The specialist is to show all dates on which he/she inspected the property being evaluated, in the first paragraph.
 - c. The “date of evaluation” is the most recent date of property inspection by the specialist. It is inserted in the blank in the eighth paragraph.
 - d. The “Date of Contract” is the date on which the contract was approved by Director, Real Estate Services (DRES). Dates of approval of any and all contract revisions are listed in order by date under the original contract date.
 - e. The specialist completes the certificate by inserting the firm name, signing and dating the form with the date being that on which signed.
 - f. “DO NOT WRITE BELOW THIS LINE”—This space is for Region use only. The only marks in this space are the date of receipt of the report in Region, and the signature and date of approval of the report by the Region Appraisal Supervisor. Date stamping in this space is accomplished by WSDOT personnel to show the actual date of receipt by the WSDOT.
2. **PAGE 2 et seq. — NARRATIVE SECTION OF THE SPECIALIST’S REPORT**
- In this section, the specialist presents a narrative report which covers (in the order listed) the items in Appendix 4-1, Page A-1, Parts iB2 through iB7.

3. ADDENDA

In this section, the specialist includes all pertinent supporting data as indicated in Appendix 4-1, Page A1, Parts iB8 and iB9.

B. The Region Appraisal Supervisor:

1. Assures that the specialist's report has been date-stamped in the Region.
2. Reviews the report (for contract compliance) and:
 - a. Obtains any necessary corrective action; or approves the report by signing and dating a Certificate of Specialist, and submits the approved report to the Appraiser.
 - b. Assures that the Appraiser incorporates the specialist's report as provided in Appendix 4-1, Tab A.

Tab B Surplus Property Report

i. Rules

- A. Simple disposals with values at less than \$10,000 may be handled with a "value memorandum" citing the rationale and evidence obtained for the conclusion of value. This memorandum is generally prepared by the Property Management Agent rather than an appraiser. See Chapter 11 for the specifics required in the memorandum.

Complex surplus parcels are to be appraised using the short form (see Tab D) or the standard narrative form (see Tab C). Surplus property rights (e.g., access rights, easement or use rights, etc.) are valued on a "before" and "after" basis assuming the recipient parcel has the right in the "before" situation but does not have it in the "after" situation. The difference between the "before" and "after" situation is the Fair Market Value of the surplus property right.

Tab C Standard Narrative Form Appraisal Report

i. Format

The Standard Narrative Form Appraisal Report is organized according to the following format:

SECTION I — Identification and Summary

Page 1, Certificate of Appraiser (Form RES-205)

Page 2, Summary of Conclusion (Form RES-206)

Salient Information

Assumptions and Limiting Conditions

Subject Plot Plan and Photos (Form RES-207)

Narrative Report:

Item 1 — Owner

Item 2 — Address (or location) of subject property

Item 3 — Legal description

Item 4 — Delineation of title (5 years)

Item 5 — Purpose of appraisal

Item 6 — Summation of appraisal problems/scope of work

SECTION II — Evaluation of Total Ownership

Item 1 — Assumptions and limiting conditions

Item 2 — Neighborhood location and description

Item 3 — Description of subject property

A. Present use

B. Accessibility and road frontages

C. Land contour and elevations

D. Land area

- E. Land shape
- F. Utilities
- G. Present zoning
- H. Highest and best use of land if vacant
- I. Improvements
- J. Specialty items
- K. Real estate taxes
- L. Assessments
- M. Existing lease or rental data
- N. Highest and best use of whole property as improved

Item 4 — Valuation of property

- A. Site analysis and evaluation
 - 1. Sales Comparison approach, site evaluation
 - a. General discussion
 - (1) Data search area, time frame, and market units
 - (2) Sales that are comparable
 - b. Comparative analyses
 - c. Correlation and conclusion by comparative approach
 - 2. Income approach, site evaluation
 - a. Data
 - b. Analysis
 - c. Correlation and conclusion by income approach
 - 3. Correlation and final conclusion, land value
- B. Approaches to value, whole property
 - 1. Sales Comparison approach
 - a. General discussion
 - (1) Data search area, time frame, market units
 - (2) Sales that are comparable
 - b. Comparative analyses
 - (1) Whole property comparisons
 - (2) Comparative units
 - c. Correlation and conclusion, comparative approach
 - 2. Income approach (when necessary or appropriate)
 - a. Data
 - b. Analysis
 - c. Correlation and conclusion, income approach

3. Cost approach (when necessary or appropriate)

- a. Cost new
- b. Accrued depreciation
- c. Land value
- d. Indicated value by cost approach

C. Correlation of value indications from all approaches

SECTION III — Remainder Evaluation

Item 1 — Assumptions and limiting conditions

Item 2 — Neighborhood factors

Item 3 — Description of subject remainder as an entity

- A. Accessibility and road frontages
- B. Land contour and elevation
- C. Land area
- D. Land shape
- E. Utilities
 - 1. Utilities actually remaining
 - 2. Utilities lost and possible corrective potentials
- F. Probable remainder zoning
- G. Highest and best use of remainder land if vacant
- H. Improvements
 - 1. Improvements remaining in whole
 - 2. Improvements remaining in part
 - a. Descriptions
 - b. Rehabilitation specifications, if rehabilitation feasible
- I. Remainder specialty item considerations
- J. Estimated real estate taxes
- K. Possible remainder assessments
- L. Lease or rental potential
- M. Highest and best use of remainder as improved

Item 4 — Valuation of property remaining

- A. Site analysis and evaluation
 - 1. Sales Comparison approach, site evaluation
 - a. General discussion
 - (1) Data search area, time frame, market units
 - (2) Sales that are comparable

- b. Comparative analyses
 - c. Correlation and conclusions by comparative approach
 - 2. Income approach, site evaluation
 - a. Data
 - b. Analysis
 - c. Correlation and conclusion by income approach
 - 3. Correlation and final conclusion, land value
- B. Approaches to value, remainder whole property
 - 1. Sales Comparison approach
 - a. General discussion
 - (1) Data search area, time frame, market units
 - (2) Sales that are comparable
 - b. Comparative analyses
 - (1) Whole property comparisons
 - (2) Comparative units
 - c. Correlation and conclusion, Sales Comparison approach
 - 2. Income approach (when necessary or appropriate)
 - a. Data
 - b. Analysis
 - c. Correlation and conclusion, income approach
 - 3. Cost approach
 - a. Cost new
 - b. Accrued depreciation (including analysis and explanations)
 - c. Land value
 - d. Indicated value by cost approach
- C. Correlation of remainder value indications from all approaches

SECTION IV — Acquisition Analysis

Item 1 — Recapitulation

- A. Value of property before acquisition
- B. Value of property after acquisition
- C. Difference between “before” and “after” values

Item 2 — Explanation of damages

Item 3 — Explanation of special benefits

SECTION V — Addenda

- A. Market Data (Forms RES-210 and RES-210B)
- B. Market data map
- C. Special instructions; charts and illustrations
- D. Report of Contact with Owner (Form RES-204)
- E. Title report — The title report is attached to the Review Appraiser's copy only.

A copy of the legal description from the title report may be attached as an addenda item if necessary.

ii. Procedures

The following paragraphs present detailed instructions for the completion of the Standard Narrative Form Appraisal Report. These instructions are in accordance with the Format (see Appendix 4-1, Tab C, Part i).

SECTION I — Identification and Summary

PAGE 1 — CERTIFICATE OF APPRAISER

This printed form is page 1 of the appraisal report and includes the following:

- A. Right of way plan identification — The purpose of the block in the upper right-hand corner is to identify the appraisal report with the particular highway plan upon which the parcel is shown as of the date of the appraisal. A subsequent revision of the right of way plan (shown by "Last Revision" date) could nullify the validity of an earlier evaluation. The appraisal report is, therefore, identified with the map currently furnished by WSDOT.

The Appraiser refers to the Personal Services Contract or Staff Assignment form for the parcel numbers, federal-aid numbers (if any), and correct project number and title. The project title is the same as the plan title found in the lower right-hand corner of WDOT's approved right of way and/or pit site plan sheet.

In case of a common borrow site, the project title also includes the name of the highway project for which the common borrow site is intended to be used. The pertinent ("for use on") information is shown on the pit site plan within the block which shows the particular site involved.

An appraisal report may NOT include any conclusion based upon an expectation of a future plan revision without written instructions. A copy of any such instructions is included in the Addenda of the appraisal report. If the current right of way plan does not reflect current conditions, the Region Appraisal Supervisor seeks correction of the plan prior to permitting the appraisal to be continued. Any necessary revision of the Appraiser's contracted due date is executed by a new Personal Services Contract or Staff Assignment form. Special authorization is secured by the Region Appraisal Supervisor if the best interest of the state will be achieved by continuing the appraisal in spite of plan inaccuracies or omissions. If the plan is in error on location of improvements, staking on the ground is considered to override and supersede plan information.

Include in ITEM I of SECTION II (Assumptions and Limiting Conditions) reference to any special instructions received from the Region Appraisal Supervisor, and the Appraiser's specific findings in any case of plan error.

- B. Certificate of Appraiser — The wording of the certificate has been authored by the WSDOT to serve specific requirements. The Appraiser is expected to be fully aware of the language of this certificate.
- C. Encumbrances
 - 1. The paragraph on page 1 beginning, “This property has been appraised for its fair market value,” is designed to provide ready identification of a parcel which cannot be marketed in fee simple due to the existence of outstanding dominant interests. Basic ground rules of appraising property for WSDOT require the evaluation of all rights of fee ownership because WSDOT assumes the responsibility of clearing all interests presuming the market value of the fee to be equal to the sum of all partial interests. The appraiser inserts the date of the title report here.
 - 2. WSDOT recognizes easements of material duration, perpetual easements, (including electrical transmission power lines), deed or title restrictions (including access limitations and use restrictions imposed on the title) as having possible adverse effects on market value. In the event of the existence of such an encumbrance in a particular case, the Appraiser discusses their effect in the narrative report. In these cases, the evaluation reflects the value of the property as encumbered.
- D. The paragraph on page 1 beginning, “The opinion of value expressed below,” requires that the Appraiser show the total number of pages in his report in order to avoid inadvertent loss of pages or the possibility of any fractional use of the report. The number of pages shown here is the total page count of the appraisal report, including the Addenda.
- E. The paragraph on page 1 beginning, “I made a personal inspection...” requires the appraiser to list all dates on which the subject property was inspected.
- F. The paragraph on Page 1 beginning, “The Date of Value for this property...” requires the appraiser to insert the Date of Value. The Date of Value is the most recent date of property inspection by the appraiser.
- G. The paragraph on page 1 beginning, “Per the Fair Market Value definition...” is designed to display the final conclusion of the Appraiser. In the case of a total acquisition, the words “total acquisition” are inserted in lieu of a remainder value, and the third blank line is ignored. If a two-premise appraisal is required, insert the conclusions for “Premise 2” immediately to the right of those for “Premise 1,” and label both appropriately; or include two Page 1’s, one labeled Premise 1 and the other labeled Premise 2.
- H. The “Date of Contract” is the date on which the contract was approved by the DRES, or designee. Dates of approval of any and all contract revisions are listed in order by date under the original contract date. Staff Appraisers use the date of assignment.
- I. Appraisers complete the certificate by inserting their name, signing and dating the form (in the number Washington State appraisal certification number).
- J. “DO NOT WRITE BELOW THIS LINE.” This space is for Region and Headquarters use only. The only marks in this space are the date of receipt of the appraisal in Region and in headquarters. Date stamping in this space is accomplished by department personnel to show the actual dates of receipt by WSDOT.

PAGE 2 — SUMMARY OF CONCLUSIONS (Form RES-206)

This printed form is page 2 of the appraisal report and includes the following:

- A. A breakdown is required of each of the following: the value before acquisition, the value of the remainder and a breakdown of the difference between the “before” and “after” values. On total acquisitions, a breakdown of “before” value only is required. (This page is for a tabulation of certain specific data for WSDOT use and does not necessarily represent the methods of appraisal or the techniques employed.)
- B. If more than one value premise is necessary, a separate Summary of Conclusions is inserted for each premise. They are respectively labeled “Premise 1,” “Premise 2,” etc., in the lower right-hand corner above the parcel number.

SALIENT INFORMATION

This information is generally standard, but may be revised to fit the particular appraisal problem.

ASSUMPTIONS AND LIMITING CONDITIONS

This information is generally standard, but should be revised to fit the particular appraisal problem.

SUBJECT PLOT PLAN AND PHOTOS (Form RES-207)

This printed form includes the following:

- A. Photographs — Each appraisal report includes a sufficient number of photographs, properly identified and taken at various angles to show significant features of the property, especially the improvements, and the take.
- B. Sketch — A plot plan sketch of the subject property is required. The sketch should assist the reader to visualize the parcel and the scope of the related appraisal considerations. The minimum pictorial requirements itemized on the form require showing the entire subject, including perimeter dimensions and parcel area. All street frontages are identified. All pertinent improvements and other significant features of the property are shown in their approximate locations, including alleys, roadways, and easements. The dimensions of the improvements are shown. The geographic orientation of the property is identified by means of a north directional arrow. A copy of a “reduced print” size of the right of way map depicting the subject and surrounding properties may not be used.

The location from which each subject photograph was taken is identified by drawing a circle around the place from which each was taken. The photo serial number is printed inside each circle and the direction the camera lens was pointing is indicated by a short arrow. In the case of a partial acquisition, the limits of the proposed right of way are shown. The remainder dimensions and area are shown. Any restriction of access is shown by pictures. If road approaches are to be permitted, they are shown in their approximate locations. More than one sketch may be required for clarity in some situations. Where this is necessary, the second sketch is confined to showing either the remainder details only, or an enlargement of a portion of the total parcel. Both sketches shall carry sufficient identification to pictorially indicate the relationship of the sketches to each other. When an alternate remainder evaluation is required, a sketch of the remainder is included in the Addenda of the report.

NARRATIVE REPORT

ITEM 1 — OWNER

The names (and addresses, if available) of all current owners are shown. Where certain parties are contract purchasers, life estate owners, tenants, etc., so indicate.

ITEM 2 — ADDRESS (OR LOCATION) of SUBJECT PROPERTY

The address of the property is shown, or if an address is nonexistent or does not readily reveal a specific geographical location (as in the case of a rural postal route and box number), the location of the property is described by reference to names of streets, roads, highways, and distances from describable landmarks.

ITEM 3 — LEGAL DESCRIPTION

Inserts legal description provided in the title report. If the legal description is lengthy, the appraiser indicates so here and includes the entire legal description in the Addenda of the report.

ITEM 4 — DELINEATION OF TITLE

Here show all transfers of the property occurring within the previous five years. Each transfer is tabulated in order of occurrence showing the grantor, grantee, date of sale, Auditor's volume and page, confirmee, and the sale price as follows:

FROM	TO	DATE	BOOK/PAGE	CONFIRMEE	CONSIDERATION
------	----	------	-----------	-----------	---------------

Following each sale, state an opinion on whether the sale can be considered as evidence of value. If it can, the sale information and the Appraiser's analysis thereof are reopened on the Market Data form (Forms RES-210 and RES-210B) and included in the report. If the sale cannot be considered, the Appraiser states why.

ITEM 5 — PURPOSE OF THE APPRAISAL/

The purpose of all appraisals is to estimate the "fair market value" which is defined below. In the case of a "total acquisition," the purpose of the appraisal is to estimate the market value of the entire ownership. In the case of a "partial acquisition," the purpose of the appraisal is to first estimate the market value of the entire ownership and second to estimate the market value of the remainder. The difference between the two values is then to be analyzed (by the Appraiser) as to the allocation of the value differential to real property acquired and damages or special benefits to the remaining real property and property rights.

"Fair market value" is the amount in cash which a well-informed buyer willing, but not obliged to buy the property, would pay, and which a well-informed seller willing but not obligated to sell it, would accept, taking into consideration all uses to which the property is adapted and might in reason be applied.

ITEM 6 —SCOPE OF WORK

The purpose of this item is to explain the principal problems presented by the particular parcel in estimating market value; and, in the case of a partial acquisition, also to explain (in general) the principal differences in character and amenity between the parcel before the acquisition and the portion remaining after the acquisition.

The Appraiser begins by explaining what property and rights are to be acquired. This is done in very general terms because the description of the before situation in Section II, the description of the remainder in Section III and the itemization

of rights being acquired on Page 2 of the report are to be very comprehensive on this point. By the Appraiser's first explaining the significance of the differences between the before and the remainder circumstances, he can more effectively focus the reader's mind on the more important value considerations. The areas in acres or square feet of both the before and remainder are noted. If the acquisition will include the acquisition by the state of easement rights, the area, type, and effect of such easement are stated and are taken into consideration in the evaluation of the remainder (Section III). If more than one value premise is necessary, an explanation of each premise is given here. If it is determined that items such as trade fixtures, machines, equipment, or other items of a more or less personal nature are to be included in the evaluation of a property, those items so included should be listed within the Addenda of the appraisal and reference thereto included here. If said items are tenant owned, they are evaluated separately as to both the Fair Market Value which said item(s) contribute to the Fair Market Value of the whole property and the value of the item(s) for removal (salvage value).

SECTION II — Evaluation of Total Ownership

ITEM 1 — ASSUMPTIONS AND LIMITING CONDITIONS

The Appraiser states any extraordinary assumptions and limiting conditions which are necessary to the background of the evaluation of the whole ownership before acquisition. Special legal opinions are secured from WSDOT or instructions furnished by WSDOT are mentioned here.

Encumbrances shown on the title report which have an effect on market value are listed by encumbrance number as shown on the title report.

ITEM 2 — NEIGHBORHOOD LOCATION AND DESCRIPTION

Under this heading, a brief description of the neighborhood and economic influences in force are given. The economic position of the appraised property relative to the neighborhood is explained.

ITEM 3 — DESCRIPTION OF SUBJECT PROPERTY

- A. Present Use — The use or uses the property is presently serving are stated.
- B. Accessibility and Road Frontage — Existing road or street patterns serving the property, existing property frontages, road approaches, grade differentials between the property and road frontages, existing access restrictions imposed by deed, title, police power or nature are described.
- C. Land Contour and Elevations — A word picture of the "lay-of-the-land" is given here.
- D. Land Area — Total ownership area in acres or square feet given here.
- E. Land Shape — The general shape and dimensions of the ownership are included.
- F. Utilities — Public and/or private utilities (sewer, water, gas, electric power, etc.) available to the property, their locations and quantities are included.
- G. Present Zoning — The zoning and jurisdiction as of the date of appraisal is stated in words, not codes, for example: "Multi-residential, minimum area 7,200 square feet, Pierce County." Also, any restrictions on the use of the property are explained; e.g., setback requirements, minimum on-site parking requirements, etc.

- H. Highest and Best Use of Land if Vacant — In determining highest and the best use of the land, the Appraiser assumes the land to be vacant and available for its highest and best use even though it may not be actually vacant. He tells what use is the best for the land, ignoring any improvements, and why that use is the highest and best for this particular tract. Some parcels require value studies under more than one use assumption in order to support the decision. Any such study is explained in this paragraph. When the most logical use is not allowed under existing zoning, the Appraiser determines the reasonable probability of securing a zoning change.
- I. Improvements — If the subject is improved, each of the improvements is named and identified on the sketch of the report. Each improvement is described, including age, construction, and general condition.
- J. Specialty Items — These are items identified prior to appraisal as real estate equipment, real estate trade fixtures, crops, etc., and are to be identified in this section. The owner(s) of the item(s) must be identified here also. In most cases, a specialist's report evaluating the items is provided to the Appraiser at the time of assignment. The value of a specialty item is not arbitrarily added to the valuation of the other realty, but is considered as any other basic data by the Appraiser in estimating the Fair Market Value of the whole property.
- K. Real Estate Tax — The dollar amount of the real estate tax is shown as well as the assessed value and current tax rate.
- L. Assessments — The dollar amount of any assessments against the property at time of appraisal is indicated.
- M. Existing Lease or Rental Data — If the property is under a lease or rental agreement, the Appraiser investigates and reports the details of the encumbrance. Whenever possible, the Appraiser also obtains owner-tenant agreement copies and includes them in the Addenda. In the case of residential property where improvements are acquired or damaged, the Appraiser estimates economic rent for the property and what the rent includes.
- N. Highest and Best Use of the Whole Property as Improved —
 - 1. If the property is improved, the current highest and best use of the parcel is stated and explained. If it appears that the land is not developed to its highest and best use because of the improvements thereon, the Appraiser bases his decision on highest and best use for the total property on whether the value of the property as improved is greater than the value of the land if vacant. It may, therefore, be necessary to prove highest and best use through appraisal techniques which reflect comparisons of values from alternate use premises.
 - 2. If the property is vacant (unimproved), "Vacant" is stated under this heading. (See paragraph H, above.)
 - 3. Evaluation of private property does not include value derived from the illegal use of state highway right of way for the conduct of adjacent businesses, or any other illegal use.

ITEM 4 — VALUATION OF PROPERTY

A. Site Analysis and Evaluation

Rules:

The most reliable evidence of the value of the site is recent sales of similar sites. Since no two tracts are identical, adjustments to the sale price of comparable tracts may be required to develop an indication of value for the appraised site. The evidence of the necessity to adjust, if at all, is present in the market and is illustrated in the appraisal report.

The employment of the hypothetical subdivision to develop raw land value may be introduced to support the market data and to illustrate the amount of money a prudent purchaser would likely pay for raw subdivision land. However, due to the many variables and speculative elements, the estimate of value is never based solely upon such a hypothesis.

The comparative approach is based on the principle of substitution; therefore, each comparable sale used in this approach must be sufficiently similar to the property to be considered by the investor as a substitute property.

The validity of the value conclusion drawn from this approach is in direct relation to the sufficiency and comparability of the data. Sales data must be of sufficient quantity and quality to give the value conclusion a solid base. To the extent that adjustments are needed in the sales analysis, the validity of the entire approach is brought into question.

Procedures:

1. Sales Comparison Approach, Site Evaluation

a. General Discussion

- (1) Here the Appraiser lays the groundwork for the comparative analysis by a statement of the extent of his search, the sufficiency and comparability of existing data and the general value bracket within which subject will fall.
- (2) Sales that are comparable are listed, identifying each by the sale number of the pertinent Market Data (Forms RES210 and RES210B) in the Addenda. A format similar to the following is used at this point in the report:

SALES NUMBER	GRANTOR/ GRANTEE	LAND AREA	SALE DATE	SALE PRICE
-----------------	---------------------	--------------	--------------	---------------

b. Comparative Analysis

Ideally, sales used are so closely comparable as to make adjustments unnecessary when equating them to the property being appraised. However, because such close compatibility rarely exists, a narrative comparative analysis of each comparable sale is made explaining how the sale relates to the subject with regard to those features which tend to influence market value. It is recognized that within comparable properties there may exist many items of dissimilarity to which the market does not react and for which adjustments are not attempted. If market investigation shows adjustment to be necessary,

then each significant element of difference between the comparable and the subject is explained separately on its own particular merits, with an indication as to its value differential made either on a dollar or percentage basis. When there is a lack of market support for adjustments, sound and consistent reasoning in the comparison of each item of difference may be acceptable. In this latter instance, a greater number of sales should be used in order to broaden the scope of value evidence. When adjustments are made:

- (1) As the number of adjustments or size of any single adjustment increases, the validity of the sale as a “comparable” is reduced.
- (2) A comparative analysis chart or “grid” may be an aid to the Appraiser and a help to the reader.

c. Correlation and Conclusion by Sales Comparison Approach

The several comparisons should result in close indications of the value of the property being appraised. In this section these indications are correlated into a single indication of value of the site by the comparative approach.

2. Income Approach, Site Evaluation

Certain types of land do not lend themselves to the use of the income approach because such land is not typically leased or rented.

When sufficient rental and/or leasing data are available with which to establish a sound basis for the income approach, the Appraiser analyzes and processes such data here.

3. Correlation and Final Conclusion, Land Value

The appraisal report now explains how the Appraiser has weighed the indications of value, what specific value the total of the market data tends to indicate to the subject and why the market data indicates said specific value.

B. Approaches to Value, Whole Property

Rules:

If the site is improved, the value of the improvement is based upon its contribution to the value of the whole property (except for tenant-owned realty items; see II.B.a(2)). All three commonly accepted approaches to the estimate of value, including supporting units of comparison, are employed as applicable. If one or more approaches to the estimate of value are omitted, the Appraiser states the reason for each omission.

The Sales Comparison method of presenting market value evidence is the method most acceptable to WSDOT and to the courts and juries; consequently, the greatest reliance is usually placed upon market comparison. Sufficient highly comparable data is analyzed to provide a sound basis for the conclusion drawn from this approach. The authenticity of the entire approach is directly proportional to the sufficiency and comparability of the data obtained and the accuracy with which it is analyzed.

Procedures:

1. Sales Comparison Approach

a. General Discussion

- (1) Here the Appraiser lays the groundwork for the comparative analysis by a statement of the extent of his search, the sufficiency and comparability of existing data and the general value bracket within which subject will fall.
- (2) Sales and offerings that are comparable are listed identifying each by the sale number on the pertinent Market Data (Forms RES210 and RES210B) in the Addenda. A format similar to the following is used at this point in the report:

SALES NUMBER	GRANTOR/ GRANTEE	LAND AREA	SALE DATE	SALE PRICE
-----------------	---------------------	--------------	--------------	---------------

b. Comparative Analysis

Ideally, sales used are so closely comparable as to make adjustments unnecessary when equating them to the property being appraised. However, because such close comparability rarely exists, a narrative comparative analysis of each comparable sale is made explaining how the sale relates to the subject with regard to those features which tend to influence market value. It is recognized that within comparable properties there may exist many items of dissimilarity to which the market does not react and for which adjustments are not attempted. If market investigation shows adjustment to be necessary, then each significant element of difference between the comparable and the subject is explained separately on its own particular merits, with an indication as to its value differential made either on a dollar or percentage basis. When there is a lack of market support for adjustments, sound and consistent reasoning in the comparison of each item of difference may be acceptable. In this latter instance, a greater number of sales should be used in order to broaden the scope of value evidence. When adjustments are made:

- (1) As the number of adjustments or size of any single adjustment increases, the validity of the sale as a “comparable” is reduced.
- (2) A comparative analysis chart or “grid” may be an aid to the Appraiser and a help to the reader.

c. Correlation and Conclusion by Sales Comparison Approach

Here the Appraiser explains how he has weighed the various indications of value, what conclusion of value has been reached, and why the evidence supports such conclusion.

2. Income Approach

Value conclusions reached through the income approach are valid only in direct relationship to the sufficiency and comparability of the data available and the accuracy and care with which such data are analyzed and processed. The Appraiser properly analyzes sufficient comparable data to provide a sound basis for the conclusion drawn.

Economic rent and expenses, as well as interest and capitalization rates, are supported by market evidence adequately portrayed in the report.

3. Cost Approach

The cost approach reflects either the depreciated replacement cost new or the depreciated reproduction cost new of the subject structure. The Appraiser gives the reason for his particular selection.

- a. Cost New — In condemnation appraisals in Washington State, cost new is generally expected to be reproduction cost rather than replacement cost. While cost service manuals, cost estimators, or contractors may serve in support of an Appraiser's estimate of costs, most valid evidence lies in the market facts of known costs of construction of like or similar structures within the subject or competing areas.
- b. Accrued Depreciation — The department will accept either of two methods of measuring accrued depreciation (1) the breakdown method, and (2) the market method. Of the two, the market method is preferred whenever its use is possible.

The Appraiser includes his analysis and explanation of accrued depreciation.

C. Correlation of Value Indications From All Approaches

The three approaches should produce indications of value within a reasonably narrow range.

In the correlation, the Appraiser explains why and how he arrived at the final estimate of value. The values that have been indicated by each approach and the reliability and relative merits of each are explained.

SECTION III — Remainder Evaluation

ITEM 1 — ASSUMPTIONS AND LIMITING CONDITIONS

The Appraiser assumes that the highway facility will be constructed in accordance with the present highway plan within the reasonable future.

Any assumptions applicable to the remainder are stated.

Legal opinions and special instructions that are applicable are stated, including a statement explaining the basic premise being employed.

All title encumbrances that will pertain to the remainder are stated and whether or not and why each such encumbrance has an influence on the market value of that remainder. Any access restrictions to be imposed by the state are explained. Note whether and where road approaches are to be constructed by WSDOT. Highway Engineer's Station numbers are used on the right of way plan to locate permitted road approaches.

ITEM 2 — NEIGHBORHOOD FACTORS

State the environmental conditions which will be significant to the remaining property. Describe and explain what trends will probably influence the future of the property being appraised. Describe the new highway facility in relation to the property.

ITEM 3 — DESCRIPTION OF SUBJECT REMAINDER AS AN ENTITY

The remainder (that portion of the property remaining after acquisition of the right of way or materials site) is viewed as an entirely new property to be appraised. The types of data required to describe the remainder property are similar to that outlined in Section 11 for the “before” appraisal. Of particular importance to the department is (1) the presence and/or availability to the property of the customary and any special utilities, and (2) the highest and best use of the remainder.

Improvements remaining in whole or in part on the remainder are noted. Improvements remaining in part are assumed to be either rehabilitated in place or removed, whichever is feasible.

NOTE: An exception to requirements stated herein may be made when any item of the remainder is identical to that already described in the before situation. In such event, the Appraiser states: “as previously reported and described on page . . .”

ITEM 4 — VALUATION OF PROPERTY REMAINING

As stated in Item 3, the valuation of the remainder is a new appraisal. In those cases where the portion acquired was of little significance to the total property, the remainder may be so nearly like the “before” situation that the same basic sales, income, and cost data are referenced and employed in new comparative, income and cost approaches.

On the other hand, if there is a change in the basic physical and economic nature of the remainder, including a change of highest and best use, or any variety of circumstances creating damages or benefits to such remainder, new supporting data and explanations of evaluations are introduced.

WSDOT normally acquires improvements which straddle the right of way line and may sell the salvage rights thereto or may remove the improvements leaving the remainder in a neat and orderly condition.

To support a rehabilitation hypothesis, in the case of an alternate remainder evaluation, the Appraiser will include in the Addenda a plot plan of the remainder, showing the rehabilitated improvements in sufficient detail to enable the reader to visualize the Appraiser’s specifications. The specifications must reflect those of a prudent person and need not include total replacement of all the features present in the “before” instance. In evaluating a remainder under this premise, the highest and best use of the land will have a significant bearing on the feasibility of assuming a rehabilitation.

If a permanent easement or temporary easement is imposed on the remainder by WSDOT, its terms are supplied to the Appraiser by the Region's Appraisal Supervisor. This information will consist of the area involved, the duration of the encumbrance, and the type of encumbrance. The value of the remainder is then estimated and reported, as encumbered, by the Appraiser. Market data is not always available with which to evaluate property subject to a particular type of encumbrance; however, this fact does not relieve the Appraiser from the obligation of making a search for supporting data. All available data is analyzed and reported together with the reasoning which led to the conclusions reached.

Again, the three approaches to value support the final conclusion of value. If an approach is not applicable, the narrative explains why it is not applicable. The valuation follows the same format as required in the “before” situation. If the same

market data used for the “after” valuation were used for the “before” valuation, the appraiser explains and supports any different adjustments.

NOTE: A breakdown of the indicated value of the remainder is required on Page 2, Summary of Conclusions (Form RES206) regardless of the appraisal methods employed. If an easement is being acquired, the area and resultant unit, and total value is set out on this form.

SECTION IV — Acquisition Analysis

ITEM 1 — RECAPITULATION

The following statements are completed as worded:

- A. Value of property “before” acquisition \$ _____
- B. Value of property “after” acquisition \$ _____
- C. Difference between “before” and “after” values \$ _____
(Subtract B. from A.)

NOTE: The difference between the “before” and “after” values is set forth on Page 2, Summary of Conclusions (Form RES206) and broken down into the types of information required by the form.

ITEM 2 — EXPLANATION OF DAMAGES

Damages as such are not appraised. The Appraiser appraises the property before acquisition and again as it will exist after acquisition. The conclusions reached are fully documented and supported. An explanation and comparative analysis is made of the difference between “before” and “after” values, isolating and properly allocating the dollar difference to the value of the part taken and the compensable damages and benefits, if any.

When it is found that damages may be mitigated in whole or in part by a cost-to-cure item, it must be demonstrated that the cost-to-cure item is economically justified. The cost-to-cure cannot exceed the amount of damage which would accrue without such cure. In the event that firm bids for cost-to-cure items are needed, the Region's Appraisal Supervisor secures such bids and furnishes them to the Appraiser for his analysis and inclusion within the appraisal report.

ITEM 3 — EXPLANATION OF SPECIAL BENEFITS

Under this heading a narrative explanation brings out why and how the property enjoys special benefits. The amount of benefits are to be shown in terms of dollars, or the narrative explains that there is no special benefit. In this state, any special benefit that accrues to the remaining property by virtue of the state's highway improvements is set off against both damages and the value of the property acquired.

SECTION V — ADDENDA

Rules:

IMPROVED PROPERTY CHECK LIST: If improvements are being acquired, the appraiser attaches a copy of the appropriate Realty/Personalty Checklist. If the property is residential, then the Residential Realty/Personal Property Check List is attached. If the property is Industrial or Commercial, then the Commercial/Industrial Checklist is attached.

MARKET DATA (Forms RES210 and RES-210B). All recent sales and offerings of nearby properties are studied and considered. Sufficient sales evidence (market data) is included in the report to provide a sound basis for evaluation of both the “before” and “after” situations of the property. WSDOT considers three sales as the minimum market evidence to support the least complicated bare land evaluation. The amount of data needed is in direct proportion to the number of property elements for which market analysis is required.

Market data may be offered to the Appraiser by the department in connection with an appraisal assignment without obligation on the part of WSDOT and without absolving the Appraiser from the professional responsibility for verification and further independent analysis of any and all pertinent data. WSDOT data is furnished without an analysis in order to avoid any action that might reduce the independence of an appraisal estimate.

The proper reporting and analysis of sales data is the foundation of a properly documented appraisal report. Appraisals made for WSDOT must contain sales data of adequate quality and quantity to demonstrate that the Appraiser has arrived at the conclusion of value as the direct result of a careful analysis of the current market. WSDOT holds that where market data is weak in comparability a greater than usual volume of data must be analyzed.

Procedures:

A. Complete the Market Data (Forms RES210 and RES-210B) as follows:

ITEM (1) — ADDRESS OR LOCATION

The house number, street, and city are shown; or if none, the county is named with an explanation of how to locate the property by road names, directions, and distances from cities and crossroads or other conventional landmark references.

ITEM (2) — PHOTOGRAPH AND SKETCH

Photographs of each sale property are attached to the second page of the market data form to provide the reader with a clear picture of the property. This requirement applies to both vacant and improved properties. Suitable print sizes should be obtained or prints should be trimmed to fit the space on the form.

Photographs are securely fastened to the page with plastic tape along the top edge only. The name of the photographer and the date taken are filled in on the form in the spaces provided.

A small-scale plot-plan sketch of the property should be shown in the space under the photograph. Dimensions of the site, road, or street frontages, improvement location, alleys, easements, north arrow, photo directional arrow, and any other relevant information are included on the sketch. If insufficient space is provided on the form for an understandable sketch, the Appraiser places the sketch on an additional page with consecutive numbering, and inserts “see next page” on the Market Data form. The additional sketch page is also identified by the number of the comparable sale, parcel number, and the Appraiser’s name.

ITEM (3)

All data is reported as it pertains to the property at the time of the sale. Changes that have occurred since the sale are described under ITEM (5).

ITEM (3)a — ACCESS

Examples: “Unrestricted,” “Restricted direct to frontage road only,” etc. This point may require clarification under ITEM (5).

ITEM (3)b — PRESENT USE Examples: “Vacant,” “Industrial,” “Commercial,” “Business,” etc., (at time of sale).

ITEM (3)c — HIGHEST AND BEST USE

Examples: “Residential,” “Multi-family,” “Commercial,” “Industry,” etc.

ITEM (3)d — ZONING

Zoning on the date of sale is stated in words, not codes, including jurisdiction. Example: “Multi-residential, Minimum 7,200 square feet, Pierce County” specifying special requirements such as setback, etc.

ITEM (3)e — DIMENSIONS

Dimensions of the land sold are shown. Example: “Irregular, 1,320 feet frontage x 1,900 feet average depth.”

ITEM (3)f — AREA

Square footage or acres of the sale property are indicated.

ITEM (3)g — SALE DATE

The date of closure of a closed sale; the date of acceptance of an earnest money datum; the dates of exposure on the market for an offering.

ITEM (3)h — PRICE

This is the actual confirmed price at which the property sold. Non-realty included in the sale price is explained under ITEM (5) and the substantiated dollar amount broken down in ITEM (6) with explanation of the source and reliability of the value information on which the breakdown was made.

ITEM (3)i — INSTRUMENT

The type or kind of conveyance is identified (e.g., Warranty Deed, Real Estate Contract, etc.).

ITEM (3)j — TERMS

Any sale terms which were a matter of the seller’s consideration and his acceptance are reported. If the transaction was for all cash (full selling price) to the seller, the word “Cash” is inserted. If the sale was not all cash to the seller, the details are explained. Where the market exhibits a cash equivalency adjustment, it is properly discussed in ITEMS (5) and (7).

If additional space is required to report and explain the terms of the sale, it is reported under ITEM (5) of the market data sheet or on a supplemental page following. Such a supplemental page is identified by the number of the comparable sale, parcel number, Appraiser's name, and consecutive page number.

ITEM (3)k — EXCISE TAX NUMBER

The serial number of the Excise Tax Affidavit is inserted here.

ITEM (3)l and m — GRANTOR/GRANTEE

Names of buyer and seller are shown the same as they appear on the instrument which gives evidence of the transaction. If insufficient room exists on the form because of an extremely long name, it may be placed under ITEM (5).

ITEM (3)n — CONFIRMED WITH (NAMES/DATES)

Whenever possible, all information concerning a comparable sale is confirmed by personal interview with both the buyer and the seller. The first and last names of the confirmer, phone number of confirmer and the date of confirmation are shown. If the comparable sale is to be accepted as valid evidence of value, it is essential that it be confirmed by interview with either the grantee or grantor. If an unconfirmed sale is used there must be a full explanation of the attempts to confirm. In this case the Appraiser should at least talk to the broker. In all contacts face-to-face conferences should hold precedence over telephone confirmation.

ITEM (3)o — CONFIRMED BY

The name of the individual who confirmed the sale is inserted.

ITEM (3)p—DATE INSPECTED

The date the sale was inspected is inserted.

ITEM (4) — LEGAL DESCRIPTION

In cases of very lengthy legal descriptions, the legal description used in the county tax rolls may be shown. Tax lot numbers are acceptable.

ITEM (5) — PROPERTY DESCRIPTION

The property is described as it was at the time of the sale, with notations of changes that have taken place since the sale.

ITEM (6) — ANALYSIS

The sale property is analyzed and the sale price of the real property is broken down into all of the elements.

The purpose of extraction is to inventory the physical items included in the sale and allocate to them the portion of the sale price attributable to each item.

B. MARKET DATA MAP

Each appraisal report contains a map of suitable scale on which is shown (by sale number) the location of each "Market Data" cited in the report. The location of the property and north arrow are also shown.

C. SPECIAL INSTRUCTIONS, CHARTS, AND ILLUSTRATIONS

1. When the Appraiser has received special instructions from the Senior Appraiser, a copy of such instructions is inserted.
2. A copy of any specialist's report, legal opinion, etc., is inserted.
3. At the Appraiser's option, or as required by WSDOT, other maps, charts, or illustrations relevant to an understanding of the appraised property and the evaluation are inserted.
4. The Appraiser lists the names of all supporting Appraisers and makes a statement of the extent of their assistance in the appraisal and report.

D. REPORT OF CONTACT WITH OWNER (Form RES-204)

Every property owner must be given the opportunity to inspect the subject property with the appraiser. Every effort must be made to assure that the property owner has this opportunity. A joint inspection may answer many questions for the appraiser such as the location of utilities, the owner's concerns about the project, etc. The appraiser should be flexible in his or her schedule in order to accommodate the property owner. If contact cannot be made by telephone, the appraiser may send a letter explaining the need for the inspection and inviting the owner to join in the inspection. It is strongly suggested that the letter be sent "Return Receipt" in order to document the attempt for contact.

Where the acquisition affects major improvements or businesses, the appraiser is required to include the review appraiser and a relocation assistance agent in the joint inspection. If the acquisition includes improvements, the appraiser completes the Realty/Personal Property Checklist Report, based on identification of such items with the property owner, relocation assistance agent, and the review appraiser. This Checklist also allocates the ownership of the items mentioned.

This form provides a record of contact and/or attempts to contact the owner(s) of the property. Under "comments" the Appraiser mentions any salient features of the property and any special concerns voiced by the owner at the time of joint inspection. Such factors may or may not influence property value; however, prior knowledge of the owner's concerns may be of aid to the Acquisition Agent.

Tab D Short Form Narrative-Type Appraisal Report**i. Rules**

- A. In instances where the income and cost approaches to value are not required, a Short Form, Narrative-Type Appraisal Report adequately related to comparable sales may fulfill the requirements of WSDOT. The Short Form, Narrative-Type Appraisal Report presents only the market data approach to value. Documentation and support is accomplished with a minimum of narrative. Note: The Short Form, Narrative-Type Appraisal Report is to be used only upon the written instruction of the Region Appraisal Supervisor.

B. In instances of total acquisition where the improvements make up a significant portion of the overall value, a total property to total property comparison is acceptable without the inclusion of comparable sales in support of the breakout of land value. It is incumbent upon the Appraiser to be sufficiently familiar with land values in order to make a reasonable allocation of value between land and improvements on page 2 of the appraisal report.

C. With the exception of the Market Data map, each page required in the Short Form, Narrative-Type Appraisal Report is a printed form furnished by the WSDOT. The format should be used if the printed form itself does not provide adequate space, however. The printed forms are listed as follows:

Page 1, Certificate of Appraiser (Form RES-205).

Page 2, Summary of Conclusions (Form RES-206).

Salient Information

Assumptions & Limiting Conditions

Photographs of All Principal Improvements and/or Features Affecting Value (Form RES-207).

Short Form Appraisal Report (Form RES-208).

et. seq., Addenda (ItemsH below).

ii. Procedures

The Appraiser completes the report as follows:

A. Page 1, Certificate of Appraiser (Form RES-205) is completed as set forth in Appendix 4-1, Tab C, Certificate of Appraiser.

B. Page 2, Summary of Conclusions (Form RES-206) is completed as set forth in Appendix 4-1, Tab C, Summary of Conclusions.

C. Salient Information, is completed as set forth in Appendix 4-1, Tab C, Salient Information.

D. Assumptions & Limiting Conditions are completed as set forth in Appendix 4-1, Tab C-, Assumptions & Limiting Conditions

E. Photographs of All Principal Improvements and/or Features Affecting Value (Form RES-207) is completed as set forth in Appendix 4-1, Tab C, Photographs of all Principal Improvements and/or Features Affecting Value.

F. Short Form Appraisal Report (Form RES-208). Insert the data for each ITEM in the spaces provided:

ITEM (1)

The name(s) of the owner(s) of the parcel being appraised are listed including those names in the title report. Where certain parties are contract purchasers, so indicate.

ITEM (2)

The address of the property being appraised is shown. If an address is nonexistent or does not readily reveal a specific geographical location (as in the case of a rural postal route or box number), the location of the property is described by reference to names of streets, roads, highways, and distances from describable landmarks.

ITEM (3)

The legal description of the subject property is included in this section. If the legal description is too lengthy a reference is made here and the entire legal description is included in the Addenda.

ITEM (4)

All transfers of the subject property having occurred in the previous five years are shown. If the sale is indicative of value, a Market Data Sheet (Forms RES-210 and RES-210B) is included as is any other comparable sale. Should the recorded sale not reflect market value, a brief explanation is given. For example: "Sale does not reflect market value. Purchaser was son-in-law of seller."

ITEM (5)

A brief description of the Neighborhood and any forces that affect values in the neighborhood is given. The property description given here is brief giving information not shown on the Sketch Form RES-207. If there is a Question of the larger parcel, a brief discussion should be made. Give the age, size, quality of construction and condition of the improvements, zoning, access, available public utilities/private utilities, topography, configuration, highest and best use of the land as vacant and ready for development, highest and best use of the property as improved, and any other feature of the property that would affect value. Existing Lease or Rental Data — If the property is under a lease or rental agreement, the Appraiser investigates and reports the details of the encumbrance. Whenever possible, the Appraiser also obtains owner-tenant agreement copies and includes them in the Addenda. In the case of residential property where improvements are acquired or damaged, the Appraiser estimates economic rent for the property and what the rent includes.

ITEM (6)

The Appraiser describes the scope of work agreed to in the assignment and/or contract, and describes the property rights to be acquired; e.g., the fee interest to a portion, or total of, the real estate; easement; restrictions of access; etc.

The effects of the proposed acquisition are briefly described: e.g., "The acquisition of 2,000 square feet from the street front portion of the site will leave a remainder site of 8,000 square feet, with the right of way line 30 feet from the nearest corner of the dwelling. No damage to the remainder."

ITEM (7) VALUATION - BEFORE

(A) Land as Though Vacant

- (1) Describe the extent of the sales search here. Information should include areas searched, time period and sources of information.
- (2) A comparative analysis is made of each sale to the subject. Those factors which influence value are discussed and adjusted for, if necessary. Each analysis of a sale concludes with an indicated value for the subject.
- (3) The indications of value from the sales are correlated into a final indication of land value.

(B) Whole Property

- (1) Describe the extent of the sales search here. Information should include areas searched, time period and sources of information.
- (2) A comparative analysis is made of each whole property sale to the subject. Those factors which influence value are discussed and adjusted for, if necessary. Each analysis of a sale concludes with an indicated value for the subject.

The indications of value from the sales are correlated into a final indication of whole property value.

- G. Short Form Report-Remainder Valuation is used in the appraisal when an additional set of comparable sales or a new correlation of sales is required to support the remainder value. (Note: If unit value of remainder is unchanged from the before valuation, a summary of the remainder value is made on page 2, only.) A brief description of the remainder may be appropriate to ensure that the appraiser has considered all of the elements that affect value.

ITEM (8)

Describe any factors that will affect the value of the remainder and which are not shown in the photographs or sketch on DOT Form 261017; e.g., neighborhood changes, relation to the new facility, grade changes, access, probable zoning, highest and best use, and any other factor affecting the value.

ITEM (9) VALUATION - REMAINDER

Follow the same procedure as outlined in (7) above to arrive at a value of the land as though vacant and of the whole property.

ITEMS (10)

Damages and/or special benefits are explained, supported, and allocated.

H. Addenda (Items 1-6 below)

1. The Market Data (Forms RES-210 and RES-210B) is completed as required in Appendix 4-1, Tab C, Part ii, SECTION V, except that the comparison and adjustments as needed to produce an indication of value (in dollar amounts) are inserted in (7).
2. A Market Data map is included in each appraisal, following the last Market Data form. The map should be of a scale which clearly shows, by sale number, the location of each Market Data in the report, the location of the subject property, and a north arrow.
3. A copy of the contract or assignment form which authorizes use of the Short Form, Narrative-Type Appraisal is included in the Addenda.
4. If supporting appraisers or researchers were used, a statement is included in the Addenda which gives their names and the extent of their assistance; e.g., "John Smith acted as photographer and cartographer."
5. A Report of Contact with Owner (Form RES-204) is completed as described above under "Tab C".
6. If the acquisition includes improvements, the appraiser completes the Realty/

Personal Property Checklist Report, based on identification of such items with the property owner, relocation assistance agent, and the review appraiser. This Checklist also allocates the ownership of the items mentioned. Acquisition Appraisal Salient Information and the Assumptions and Limiting Conditions are included in the Addenda.

7. If the property is leased, a copy of the lease is attached.

Tab E Abbreviated Appraisal Report

i. Rules

The Abbreviated Appraisal Report (Form RES-213) is authorized for simple acquisition. This format will only be assigned for appraisals of a less complex and straightforward nature. Appraisals involving severance damages, special benefits, proximity damages, and other complex issues will not use this format. The brevity of this format does not relieve the Appraiser from the responsibility for researching the market and developing sound value conclusions; nor does it diminish the need for building an adequate file of information and market data which might become essential in a future action such as condemnation.

ii. Procedures

- A. Page 1, Certificate of Appraiser (Form RES-205) is completed in accordance with Appendix 4-1, Tab C SECTION 1.B. Page 2 is completed as follows:

ITEM (1)

Owners name is inserted.

ITEM (2)

Location of the property is shown by street address or described by reference to streets, roads, highways, and/or distances to landmarks.

ITEM (3)

Before and after areas from the Right of Way plan are inserted.

ITEM (4)

Amount of acquisition area is inserted and if an easement is to be acquired the type of easement is inserted along with the area of the easement.

ITEM (5)

The current use, zoning and highest and best use are inserted.

ITEM (6)

A brief description of the scope of work and the appraisal problem along with the effects of the acquisition are entered.

ITEM (7)

Specific sales relied upon are listed here and the date of the Sales Data package is entered.

ITEM (8)

Indicate whether the subject has sold within the last 5 years and if it is included in the data package.

ITEM (9)

The various components of the acquisition are itemized under Acquisition Compensation along with the estimated value for each.

ITEM (10)

The parcel number is inserted in the space provided.

B. Page 3 is completed as follows:

ITEM (1)

A sketch of the entire property is placed here. The sketch is to show the dimensions of the property and the acquisition area, camera location for each picture, frontages, accesses, North arrow, and approximate location of any improvements.

ITEM (2)

A minimum of two photos are included showing the acquisition area and the whole property. The photos are numbered to correspond to the sketch's camera location.

ITEM (3)

The parcel number is inserted in the space provided.

C. Page 4 is completed as follows:

ITEM (1)

Briefly describe the property's physical features including all elements that might relate to marketability (e.g., access, size, utilities, location and economic factors), improvements, if any, and an explanation if highest and best use is different from the zoning or current use.

ITEM (2)

Briefly analyze the sales used as they relate to the subject comparing the factors that influence value. Correlate the sales into a final conclusion of value.

ITEM (3)

Include any cost to cure items in this space and indicate what the support was used for the cost. A short statement on the financial feasibility of the cost should also be included.

ITEM (4)

The owner contact section is filled out and any relevant comments made by the owner are included.

ITEM (5)

The parcel number is inserted in the space provided.

D. Page 5 is a copy of the contract or appraisal assignment form.

Tab F Project and Strip Appraisal Procedures**I. Project Appraisals****i. Rules**

A Project Appraisal is a process which consolidates a related group of individual parcel appraisals in order to prevent duplicating Addenda items such as Market Data (Forms RES-210 and RES-210B), sales maps, neighborhood descriptions, general exhibits, assignments (Form RES-204) and/or contracts, trend studies, etc. Use of this method also promotes consistency and efficiency. The format used in project appraisals can be either the Short Form Appraisal Report (Form RES-208) or the Abbreviated Appraisal Report (Form RES-213) as long as each parcel is separately appraised and the procedures required for each form is followed. This procedure must be authorized on the assignment (Form RES-203) which will be included as a part of the Project Appraisal Addenda.

ii. Procedures

- A. The Appraiser conducts a market investigation and prepares Market Data (Forms RES-210 and RES-210B) as described in Appendix 4-1, Page C18, Section V. These data will be referred to by number, as applicable, in formulating the indications of value in each parcel's appraisal report.
- B. The Appraiser prepares a vicinity map showing the locations of all the data as well as the project.
- C. The Appraiser prepares a narrative neighborhood description discussing its uses and trends, economic factors, the proposed project, the general effects of the acquisitions, etc.
- D. The Appraiser completes an appraisal of each parcel as required in either Tab D (Short Form Appraisal Report) or Tab E (Minimal Value Appraisal Report) or Appendix 4-1. For those parcels using the short form format, comparative analyses and correlation of the sales cited are included in the body of each report.
- E. The Appraiser completes any trends, damage, or cost studies needed for use on any of the appraisals in the Project Appraisal.
- F. The completed project appraisal report is assembled as follows:
 1. Each parcel's individual appraisal report includes Certificate of Appraiser (Form RES-205) = page 1, etc., and those items required for each respective appraisal format.
 2. The general addenda attached to the appraisal packet.

II. Strip Appraisals**i. Rules**

Occasionally, strip acquisitions for road widenings will occur where no major improvements are affected and there are no complex severance damages nor any special benefits to the remainder parcels. In these cases the acquisitions may be appraised as a pro-rata portion of the "before" land value rather than complete "before" and "after" evaluations; these appraisals are termed "Strip Appraisals." The format used may be either the Short Form Narrative or the Abbreviated Form. The only instances of damage that allow use of the strip appraisal method are:

- A. Simple cost to cure damages such as fence or driveway replacement, etc.
- B. Simple damages due to loss of utility when the acquisition is a permanent easement.
- C. Simple damages due to temporary loss of utility when the acquisition is a temporary construction permit or trespass.

Use of the Strip Appraisal does not relieve the Appraiser from the responsibility for thoroughly researching and analyzing the market in developing value conclusions. Neither does it diminish the need for building an adequate file of information and market data which might become essential in future actions such as condemnation. Nor does it allow the Appraiser to neglect data comparison of the subject to the “larger parcel.”

ii. Procedures

A. Short Form Format:

- 1. Page 1, Certificate of Appraiser (Form RES-205) is completed per Appendix 4-1, Part IIC, Tab C, Part ii, Section I, Page I; except that the “before” and “after” values are left blank and “Strip Appraisal” is inserted after the “VALUE DIFFERENCE” amount.
- 2. Page 2, Summary of Conclusions (Form RES-206) need only be completed in the “acquisition section” and the “damages” section (when appropriate).
- 3. Photographs of All Principal Improvements and/or Features Affecting Value (Form RES-207) is completed per Appendix 4-1, part IIC, Tab C, Part ii, Section I, Page 3.
- 4. Short Form Appraisal Report (Form RES-208) is completed per Appendix 4-1, Part IIC, Tab D, Part ii, with the additional information added to item 5c that states the appraisal problem is a strip taking, necessitating a strip appraisal. Only the affected improvements are evaluated per their contributory value in item 5d. Any damage items are discussed and supported in Item 6.
- 5. Report of Contact with Owner (Form RES-204) and all Addenda items required per Appendix 4-1, Part IIC, Tab D, Part ii, Items F through K are attached.

B. Abbreviated Appraisal Report Format:

- 1. Page 1, Certificate of Appraiser (Form RES-205) is completed per Appendix 4-1, Part IIC, Tab C, Part ii, Section I except that the “before” and “after” values are left blank and “Strip Appraisal” is inserted after the “VALUE DIFFERENCE” amount.
- 2. The rest of the report uses the Abbreviated Appraisal Report (Form RES-213) as per Appendix 41, Part IIC, Tab E, Part ii, Items B through F; with the additional statement in “Appraisal Problem” on said form explaining the appraisal and method as a strip evaluation.

Part III Revision of Appraisal Reports

A. Rules

1. The Director, Real Estate Services, retains a complete appraisal report concerning each parcel being appraised for the acquisition of right of way. All corrections or revisions to an appraisal are made by correction pages or supplemental sheets. All replaced pages from the original appraisal are retained in both Headquarters and Region parcel files. Replaced pages are removed from the Appraisal, marked VOID and fastened to the back of the revised appraisal report.
2. The Region Appraisal Supervisor requests a revision by letter for the purpose of:
 - a. Reconciling the date of evaluation to the date of acquisition in the following circumstances:
 - (1) Delayed negotiations, when Region Real Estate Services Manager (Region RESM) has reason to believe the previous evaluation does not reflect just compensation at the time of negotiations.
 - (2) Trial in Superior or Federal courts.
 - b. Obtaining correction to a previous evaluation, necessary because of Appraiser's errors, omissions, or oversights.
3. The Region Appraisal Supervisor prepares a new Personal Services Contract or Staff Assignment Form when:
 - a. Revised right of way plans nullify the previously reported value evidence.
 - b. Legal instructions from the Attorney General Division nullify previous value evidence.
 - c. There is a new evaluation premise.
 - d. There are additional appraisal requirements.
4. A revision or correction of an appraisal report is made only by the Appraiser who developed the initial report.
5. In condemnation cases, when the court has set a definite date for trial, notice of the trial date is furnished by the Attorney General Division to the Region and to Headquarters. The assigned Appraiser(s) whose appraisal(s) has been approved for negotiations is directed by assignment or contract to update his appraisal and submit the revision to the Region Appraisal Supervisor no later than 45 days prior to the scheduled trial date.
6. All revisions for trial purposes are date-stamped upon receipt in Region, and the original is immediately transmitted to Headquarters.
7. All written requests for a revision should give the reasons for the revision. A copy of the request is immediately forwarded to Headquarters.
8. The due date of a revised appraisal is set out in the contract or letter.
9. The Appraiser delivers the original and the number or copies specified by the contract or staff assignment form of a revised appraisal report or correction or supplemental sheets to the Region.
10. A revised appraisal report nullifies the evaluation of the initial report and all prior revisions.

11. Compensation for the revision requested by the department is set forth in the Personal Services Contract.
 12. WSDOT is not obligated to pay for a revision to an appraisal which has not been authorized by contract.
- B. Procedures
1. Upon receiving an assignment to update or revise, the Appraiser:
 - a. Contacts the Region Appraisal Supervisor to achieve a mutual understanding of the necessity to update and/or revise the prior appraisal report.
 - b. Acquires the current information concerning the right of way plan, construction features, title information, appraisal premise, and legal opinions pertinent to the appraisal.
 - c. Reexamines the market for all sales, rents, leases, costs, or other information that may be pertinent to the current evaluation.
 - d. Reexamines the parcel being appraised to ascertain current physical property conditions, fee interests, and property rights.
 2. If investigation produces market data that changes the prior evaluation, the Appraiser submits the pertinent information in accordance with this Appraisal Guide (Appendix 4-1), either as a completely new appraisal or as correction and supplemental sheets to be incorporated into the prior appraisal. The Appraiser sets forth the reasons for the revision in "Purpose of Appraisal."
 3. Revisions made by corrections or supplemental sheets may use any and all sheets of the previous appraisal that remain pertinent to the appraisal. All correction and supplemental sheets are identified by showing the revision number in conjunction with the page number. For example: page 1, Certificate of Appraiser (Form RES-205), would, always, of necessity, require a corrected page. The correction would be indicated after the page number by typing "Revised" and the date of the revision. The same procedure is required on all corrected and supplemental pages.
 4. Appraisal revisions submitted as a completely new appraisal report do not require the notation "Revision" to be typed after the page number since the prior appraisal report will be stamped "See Revision Dated" to indicate there is a revised appraisal report.
 5. Where the examination of the market indicates that no change of the previous evaluation is evident, the Appraiser informs the department of findings by letter addressed to the Region Appraisal Supervisor. The date of evaluation then becomes the date of the validating letter. The validating letter will be attached to a revised Certificate of Appraiser (Form RES205).
 6. Upon receipt of a revised report, correction pages, supplemental pages, or updating letter, the Region immediately date-stamps the report, and submits the original to Headquarters.